

## Message Text

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ACTION SS-25

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FM AMEMBASSY ATHENS

TO SECSTATE WASHDC IMMEDIATE 6917

C O N F I D E N T I A L ATHENS 250

EXDIS

EO 11652: GDS

TAGS: PFOR MASS ECON EAID GR OVIP (GARDNER)

SUBJECT: TREASURY/CONGRESSIONAL VISIT - DEPUTY

SECRETARY GARDNER AND CONGRESSMEN MEET WITH

COORDINATION MINISTER PAPALIGOURAS

REF: ATHENS 0076

1. TREASURY DEPUTY SECRETARY GARDNER, CONGRESSMEN MELVIN PRICE AND FRANK ANNUNZIO, AND CHARGE STEARNS MET WITH MINISTER OF COORDINATION PAPALIGOURAS TO DISCUSS GREECE'S ECONOMIC PROBLEMS AND PROSPECTS. IN DISCUSSION PAPALIGOURAS REFERRED TO AND AMPLIFIED THE MEMORANDUM (REFTEL) GIVEN AMB KUBISCH ON SAT JAN 4.

2. MINISTER PAPALIGOURAS OUTLINED GREEK ECONOMIC PROBLEMS EMPASIZING (1) THE IMPACT OF THE INCREASE IN OIL PRICE ON GREECE'S CURRENT BALANCE OF PAYMENTS, AND (2) HIGH MILITARY EXPENDITURES NECESSITATED BY THE CYPRUS CRISIS AND GREEK-TURKISH TENSIONS. PAPALIGOURAS ESTIMATED GAP TO BE \$450 TO \$500 MILLION FOR 1975 OF WHICH HE THOUGHT \$200 MILLION MIGHT BE COVERED FROM IMF OIL FACILITY. HE FURTHER ESTIMATED THAT ANOTHER \$150 MILLION COULD BE OBTAINED FROM THE EUROPEAN INVESTMENT BANK BUT THESE FUNDS WOULD BE FOR PROJECTS AND SPREAD OVER THE NEXT THREE OR FOUR YEARS. HE WAS NOT HOPEFUL ON THE PROSPECTS OF RECEIVING DIRECT ARAB ASSISTANCE, NOR DID HE CONSIDER ADDITIONAL AID FROM INDIVIDUAL MEMBERS OF THE EUROPEAN COMMUNITY LIKELY.

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THEREFORE, PAPALIGOURAS ESTIMATES THE UNCOVERED RE-

QUIREMENTS AT ROUGHLY \$200-250 MILLION.

3. THE MINISTER RECOUNTED THAT SECRETARY GENERAL AT THE COMMERCE MINISTRY SISMANIDES RECENTLY REPORTED FROM WASHINGTON THAT CCC FINANCING FOR CORN WAS NOT AVAILABLE. DEPUTY SECTY GARDNER INDICATED THAT IT WAS HIS UNDERSTANDING THAT CORN WAS IN SHORT SUPPLY.

4. IN RESPONSE TO A QUERY AS TO WHAT MEASURES THE GOG WAS TAKING TO REDUCE DOMESTIC DEMAND FOR OIL, PAPA-LIGOURAS SAID THAT ADDITIONAL TAXES ON PETROLEUM PRODUCTS WILL BE ANNOUNCED NEXT MONDAY OR TUESDAY, JAN 20 OR 21, WHEN THEY ARE INTRODUCED IN THE PARLIAMENT. PAPALIGOURAS ALSO INDICATED THAT THE MOST PROMISING AREAS FOR INCREASING EXPORTS IN 1975 WERE AGRICULTURE (FRUITS AND VEGETABLES), CHEMICALS, MINERALS AND TEXTILES. REGARDING TEXTILES, THE DELAY IN EXTENDING THE ASSOCIATION AGREEMENT TO THE THREE NEW EEC MEMBERS WAS DUE IN LARGE PART, TO BRITAIN'S RELUCTANCE TO IMPORT ADDITIONAL GREEK AND TURKISH YARN.

5. THE MINISTER STATED HIS AWARENESS OF THE UNOFFICIAL NATURE OF THE VISIT BY DEPUTY SECTY AND CONGRESSMEN AND SAID HE DID NOT EXPECT SPECIFIC ASSISTANCE RESPONSES BUT DID HOPE FOR A SYMPATHEIC CONSIDERATION OF GREECE'S PROBLEMS BY WASHINGTON. DEPUTY SECTY GARDNER ASSURED PAPALIGOURAS THAT USG WAS FOLLOWING WITH CLOSE INTEREST AND SYMPATHY THE EVOLUTION OF THE GREEK SITUATION.

6. MINISTER PAPALIGOURAS INDICATED THAT IF THE PRESS ASKED, HE WOULD MAKE A GENERAL STATEMENT INDICATING THE GROUP HAD DISCUSSED ECONOMIC PROBLEMS OF MUTUAL INTEREST.

7. COMMENT: CONGRESSMAN PRICE AND ANNUNZIO TOLD CHARGE THEY HAD BEEN IMPRESSED WITH PAPALIGOURAS GRASP OF SITUATION, LUCID, LOW-KEY EXPOSITION OF PROBLEMS AND REALISTIC APPRECIATION OF AVENUES OF RELIEF, AS WELL AS FACT THAT NO SPECIFIC DEMANDS WERE MADE OF US AND THAT MINISTER HAD NOT USED DISCUSSION AS MEANS TO BELABOR  
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GREEK VIEW OF U.S. ROLE IN LOCAL POLITICAL PROBLEMS.  
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## Message Attributes

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